

AMENDED IN SENATE JUNE 27, 2012

AMENDED IN SENATE JUNE 13, 2012

AMENDED IN ASSEMBLY APRIL 9, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2296

Introduced by Assembly Member Block

February 24, 2012

An act to amend Sections 94897, 94909, 94910, 94911, 94928, 94929.5, and 94929.7 of, and to add Section 94913 to, the Education Code, relating to private postsecondary education.

LEGISLATIVE COUNSEL’S DIGEST

AB 2296, as amended, Block. California Private Postsecondary Education Act of 2009.

(1) Existing law, the California Private Postsecondary Education Act of 2009, provides, among other things, for student protections and regulatory oversight of private postsecondary schools in the state. The act is enforced by the Bureau for Private Postsecondary Education within the Department of Consumer Affairs. The act prohibits an institution, as defined, from, among other things, offering an unaccredited doctoral degree program without disclosing to prospective students prior to enrollment that the degree program is unaccredited, whether the degree issued is in a field that requires licensure in California, and any known limitation of the degree, including, but not limited to, whether the degree is recognized for licensure or certification in California and other states.

This bill would apply that prohibition to the offering of associate, baccalaureate, and master’s degree programs without disclosing that

the institution, or specified degree program, is not accredited, and would list specified limitations of the degree program whose disclosure the bill would require.

(2) The act requires an institution to provide a prospective student prior to enrollment with a school catalog, which is required to contain specified disclosures relating to the school or a particular educational program.

This bill would require the school catalog to include a statement specifying whether the institution, or any of its programs, are accredited by an approved accrediting agency of the United States Department of Education, and, if the institution is not accredited, or offers an associate, baccalaureate, master's, or doctoral degree program that is not accredited in a field that requires licensure in California, the bill would require the statement to disclose that nonaccreditation and all known and specified limitations of the degree program.

(3) The act requires an institution to provide a prospective student prior to enrollment with a School Performance Fact Sheet, which is required to contain specified information relating to the educational program, including, among other things, salary or wage information if the institution or a representative of the institution makes any express or implied claim about the salary that may be earned after completing the educational program.

This bill would remove that limitation, and require all institutions to include salary or wage information in the fact sheet, not just institutions that make express or implied claims about the salary that may be earned after completing the educational program. The bill would require the fact sheet to include the most recent 3-year cohort default rate for federal student loans reported by the United States Department of Education and the percentage of students receiving federal student loans if the institution participates in federal financial aid programs, as specified.

(4) Existing law defines graduates employed in the field for purposes of the act.

This bill would revise that definition to include graduates who are gainfully employed within 6 months of a specified date in a single position for at least 13 weeks, working at least 17.5 hours per week in a certain occupation listed by the institution, as specified. If the bureau determines that the 13 weeks or 17.5 hours per week requirement is an invalid or erroneous basis upon which to measure graduates' meaningful and substantial employment in the field, the bill would authorize the bureau to adjust those numbers by regulation, as specified.

(5) Existing law requires an institution to annually report specified information regarding completion rates, job placement rates, license examination passage rates, and salary and wage information to the bureau and to publish that information in its School Performance Fact Sheet. Existing law requires the information used to substantiate these rates to be documented and maintained by the institution for at least 5 years, and authorizes an institution to retain the information in electronic format.

This bill would additionally require an institution to annually report, and publish in its School Performance Fact Sheet, the most recent 3-year cohort default rate for federal student loans for the institution; *and* the percentage of enrolled students receiving federal student loans; ~~and a list of occupations for which each of the institution's educational programs is intended to train students, as specified.~~ The bill also would require the information used to substantiate the annually reported rates and information to include specified information, and would require an institution to retain the information in an electronic format and make it available to the bureau upon request.

(6) The bill would require an institution that maintains an Internet Web site to provide, on that Internet Web site, the school catalog, a School Performance Fact Sheet for each educational program offered by the institution, student brochures offered by the institution, a link to the bureau's Internet Web site, and the institution's most recent annual report submitted to the bureau. The bill would also require the institution to include information concerning where students may access the bureau's Internet Web site anywhere the institution identifies itself as being approved by the bureau.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 94897 of the Education Code is amended
- 2 to read:
- 3 94897. An institution shall not do any of the following:
- 4 (a) Use, or allow the use of, any reproduction or facsimile of
- 5 the Great Seal of the State of California on a diploma.
- 6 (b) Promise or guarantee employment, or otherwise overstate
- 7 the availability of jobs upon graduation.

1 (c) Advertise concerning job availability, degree of skill, or
2 length of time required to learn a trade or skill unless the
3 information is accurate and not misleading.

4 (d) Advertise, or indicate in promotional material, without
5 including the fact that the educational programs are delivered by
6 means of distance education if the educational programs are so
7 delivered.

8 (e) Advertise, or indicate in promotional material, that the
9 institution is accredited, unless the institution has been accredited
10 by an accrediting agency.

11 (f) Solicit students for enrollment by causing an advertisement
12 to be published in “help wanted” columns in a magazine,
13 newspaper, or publication, or use “blind” advertising that fails to
14 identify the institution.

15 (g) Offer to compensate a student to act as an agent of the
16 institution with regard to the solicitation, referral, or recruitment
17 of any person for enrollment in the institution, except that an
18 institution may award a token gift to a student for referring an
19 individual, provided that the gift is not in the form of money, no
20 more than one gift is provided annually to a student, and the gift’s
21 cost is not more than one hundred dollars (\$100).

22 (h) Pay any consideration to a person to induce that person to
23 sign an enrollment agreement for an educational program.

24 (i) Use a name in any manner improperly implying any of the
25 following:

26 (1) The institution is affiliated with any government agency,
27 public or private corporation, agency, or association if it is not, in
28 fact, thus affiliated.

29 (2) The institution is a public institution.

30 (3) The institution grants degrees, if the institution does not
31 grant degrees.

32 (j) In any manner make an untrue or misleading change in, or
33 untrue or misleading statement related to, a test score, grade or
34 record of grades, attendance record, record indicating student
35 completion, placement, employment, salaries, or financial
36 information, including any of the following:

37 (1) A financial report filed with the bureau.

38 (2) Information or records relating to the student’s eligibility
39 for student financial aid at the institution.

1 (3) Any other record or document required by this chapter or
2 by the bureau.

3 (k) Willfully falsify, destroy, or conceal any document of record
4 while that document of record is required to be maintained by this
5 chapter.

6 (l) Use the terms “approval,” “approved,” “approval to operate,”
7 or “approved to operate” without stating clearly and conspicuously
8 that approval to operate means compliance with state standards as
9 set forth in this chapter. If the bureau has granted an institution
10 approval to operate, the institution may indicate that the institution
11 is “licensed” or “licensed to operate,” but may not state or imply
12 either of the following:

13 (1) The institution or its educational programs are endorsed or
14 recommended by the state or by the bureau.

15 (2) The approval to operate indicates that the institution exceeds
16 minimum state standards as set forth in this chapter.

17 (m) Direct any individual to perform an act that violates this
18 chapter, to refrain from reporting unlawful conduct to the bureau
19 or another government agency, or to engage in any unfair act to
20 persuade a student not to complain to the bureau or another
21 government agency.

22 (n) Compensate an employee involved in recruitment,
23 enrollment, admissions, student attendance, or sales of educational
24 materials to students on the basis of a commission, commission
25 draw, bonus, quota, or other similar method related to the
26 recruitment, enrollment, admissions, student attendance, or sales
27 of educational materials to students, except as provided in
28 paragraph (1) or (2):

29 (1) If the educational program is scheduled to be completed in
30 90 days or less, the institution shall pay compensation related to
31 a particular student only if that student completes the educational
32 program.

33 (2) For institutions participating in the federal student financial
34 aid programs, this subdivision shall not prevent the payment of
35 compensation to those involved in recruitment, admissions, or the
36 award of financial aid if those payments are in conformity with
37 federal regulations governing an institution’s participation in the
38 federal student financial aid programs.

39 (o) Require a prospective student to provide personal contact
40 information in order to obtain, from the institution’s Internet Web

1 site, educational program information that is required to be
2 contained in the school catalog or any information required
3 pursuant to the consumer information requirements of Title IV of
4 the federal Higher Education Act of 1965, and any amendments
5 thereto.

6 (p) Offer an unaccredited associate, baccalaureate, master's, or
7 doctoral degree program without disclosing to prospective students
8 prior to enrollment that the institution is not accredited or, if it
9 offers a degree program in a field that requires licensure in
10 California, that the degree program is not accredited and any known
11 limitation of the degree, including, but not limited to, all of the
12 following:

13 (1) Whether the degree is recognized for licensure or
14 certification in California and other states.

15 (2) Whether a graduate of the degree program will be eligible
16 to sit for the applicable licensure exam in California and other
17 states.

18 (3) That a degree from an unaccredited institution is not
19 recognized for some employment positions, including, but not
20 limited to, positions with the State of California.

21 (4) That a student attending an unaccredited institution is not
22 eligible for federal financial aid programs.

23 SEC. 2. Section 94909 of the Education Code is amended to
24 read:

25 94909. (a) Prior to enrollment, an institution shall provide a
26 prospective student, either in writing or electronically, with a
27 school catalog containing, at a minimum, all of the following:

28 (1) The name, address, telephone number, and, if applicable,
29 Internet Web site address of the institution.

30 (2) Except as specified in Article 2 (commencing with Section
31 94802), a statement that the institution is a private institution and
32 that it is approved to operate by the bureau.

33 (3) The following statements:

34 (A) "Any questions a student may have regarding this catalog
35 that have not been satisfactorily answered by the institution may
36 be directed to the Bureau for Private Postsecondary Education at
37 (address), Sacramento, CA (ZIP Code), (Internet Web site address),
38 (telephone and fax numbers)."

39 (B) "As a prospective student, you are encouraged to review
40 this catalog prior to signing an enrollment agreement. You are also

1 encouraged to review the School Performance Fact Sheet, which
2 must be provided to you prior to signing an enrollment agreement.”

3 (C) “A student or any member of the public may file a complaint
4 about this institution with the Bureau for Private Postsecondary
5 Education by calling (toll-free telephone number) or by completing
6 a complaint form, which can be obtained on the bureau’s Internet
7 Web site (Internet Web site address).”

8 (4) The address or addresses where class sessions will be held.

9 (5) A description of the programs offered and a description of
10 the instruction provided in each of the courses offered by the
11 institution, the requirements for completion of each program,
12 including required courses, any final tests or examinations, any
13 required internships or externships, and the total number of credit
14 hours, clock hours, or other increments required for completion.

15 (6) If the educational program is designed to lead to positions
16 in a profession, occupation, trade, or career field requiring licensure
17 in this state, a notice to that effect and a list of the requirements
18 for eligibility for licensure.

19 (7) Information regarding the faculty and their qualifications.

20 (8) A detailed description of institutional policies in the
21 following areas:

22 (A) Admissions policies, including the institution’s policies
23 regarding the acceptance of credits earned at other institutions or
24 through challenge examinations and achievement tests, admissions
25 requirements for ability-to-benefit students, and a list describing
26 any transfer or articulation agreements between the institution and
27 any other college or university that provides for the transfer of
28 credits earned in the program of instruction. If the institution has
29 not entered into an articulation or transfer agreement with any
30 other college or university, the institution shall disclose that fact.

31 (B) Cancellation, withdrawal, and refund policies, including an
32 explanation that the student has the right to cancel the enrollment
33 agreement and obtain a refund of charges paid through attendance
34 at the first class session, or the seventh day after enrollment,
35 whichever is later. The text shall also include a description of the
36 procedures that a student is required to follow to cancel the
37 enrollment agreement or withdraw from the institution and obtain
38 a refund consistent with the requirements of Article 13
39 (commencing with Section 94919).

40 (C) Probation and dismissal policies.

1 (D) Attendance policies.

2 (E) Leave-of-absence policies.

3 (9) The schedule of total charges for a period of attendance and
4 an estimated schedule of total charges for the entire educational
5 program.

6 (10) A statement reporting whether the institution participates
7 in federal and state financial aid programs, and if so, all consumer
8 information that is required to be disclosed to the student pursuant
9 to the applicable federal and state financial aid programs.

10 (11) A statement specifying that, if a student obtains a loan to
11 pay for an educational program, the student will have the
12 responsibility to repay the full amount of the loan plus interest,
13 less the amount of any refund, and that, if the student has received
14 federal student financial aid funds, the student is entitled to a refund
15 of the moneys not paid from federal student financial aid program
16 funds.

17 (12) A statement specifying whether the institution has a pending
18 petition in bankruptcy, is operating as a debtor in possession, has
19 filed a petition within the preceding five years, or has had a petition
20 in bankruptcy filed against it within the preceding five years that
21 resulted in reorganization under Chapter 11 of the United States
22 Bankruptcy Code (11 U.S.C. Sec. 1101 et seq.).

23 (13) If the institution provides placement services, a description
24 of the nature and extent of the placement services.

25 (14) A description of the student's rights and responsibilities
26 with respect to the Student Tuition Recovery Fund. This statement
27 shall specify that it is a state requirement that a student who pays
28 his or her tuition is required to pay a state-imposed assessment for
29 the Student Tuition Recovery Fund. This statement shall also
30 describe the purpose and operation of the Student Tuition Recovery
31 Fund and the requirements for filing a claim against the Student
32 Tuition Recovery Fund.

33 (15) The following statement:

34
35 “NOTICE CONCERNING TRANSFERABILITY OF
36 CREDITS AND CREDENTIALS EARNED AT OUR
37 INSTITUTION

38 The transferability of credits you earn at (name of institution)
39 is at the complete discretion of an institution to which you
40 may seek to transfer. Acceptance of the (degree, diploma, or

1 certificate) you earn in (name of educational program) is also
2 at the complete discretion of the institution to which you may
3 seek to transfer. If the (credits or degree, diploma, or
4 certificate) that you earn at this institution are not accepted at
5 the institution to which you seek to transfer, you may be
6 required to repeat some or all of your coursework at that
7 institution. For this reason you should make certain that your
8 attendance at this institution will meet your educational goals.
9 This may include contacting an institution to which you may
10 seek to transfer after attending (name of institution) to
11 determine if your (credits or degree, diploma or certificate)
12 will transfer.”

13
14 (16) A statement specifying whether the institution, or any of
15 its programs, are accredited by an approved accrediting agency of
16 the United States Department of Education. If the institution is not
17 accredited, or offers an associate, baccalaureate, master’s, or
18 doctoral degree program that is not accredited in a field that
19 requires licensure in California, the statement shall disclose that
20 nonaccreditation and all known limitations of the degree program,
21 including, but not limited to, all of the following:

22 (A) Whether the degree is recognized for licensure or
23 certification in California and other states.

24 (B) Whether a graduate of the degree program will be eligible
25 to sit for the applicable licensure exam in California and other
26 states.

27 (C) That a degree from an unaccredited institution is not
28 recognized for some employment positions, including, but not
29 limited to, positions with the State of California.

30 (D) That a student attending an unaccredited institution is not
31 eligible for federal financial aid programs.

32 (b) If the institution has a general student brochure, the
33 institution shall provide that brochure to the prospective student
34 prior to enrollment. In addition, if the institution has a
35 program-specific student brochure for the program in which the
36 prospective student seeks to enroll, the institution shall provide
37 the program-specific student brochure to the prospective student
38 prior to enrollment.

39 (c) An institution shall provide the school catalog to any person
40 upon request. In addition, if the institution has student brochures,

1 the institution shall disclose the requested brochures to any
2 interested person upon request.

3 SEC. 3. Section 94910 of the Education Code is amended to
4 read:

5 94910. Prior to enrollment, an institution shall provide a
6 prospective student with a School Performance Fact Sheet
7 containing, at a minimum, the following information, as it relates
8 to the educational program:

9 (a) Completion rates, as calculated pursuant to Article 16
10 (commencing with Section 94928).

11 (b) Placement rates for each educational program, as calculated
12 pursuant to Article 16 (commencing with Section 94928), if the
13 educational program is designed to lead to, or the institution makes
14 any express or implied claim related to preparing students for, a
15 recognized career, occupation, vocation, job, or job title.

16 (c) License examination passage rates for programs leading to
17 employment for which passage of a state licensing examination is
18 required, as calculated pursuant to Article 16 (commencing with
19 Section 94928).

20 (d) Salary or wage information, as calculated pursuant to Article
21 16 (commencing with Section 94928).

22 (e) If a program is too new to provide data for any of the
23 categories listed in this subdivision, the institution shall state on
24 its fact sheet: "This program is new. Therefore, the number of
25 students who graduate, the number of students who are placed, or
26 the starting salary you can earn after finishing the educational
27 program are unknown at this time. Information regarding general
28 salary and placement statistics may be available from government
29 sources or from the institution, but is not equivalent to actual
30 performance data."

31 (f) All of the following:

32 (1) A description of the manner in which the figures described
33 in subdivisions (a) to (d), inclusive, are calculated or a statement
34 informing the reader of where he or she may obtain a description
35 of the manner in which the figures described in subdivisions (a)
36 to (d), inclusive, are calculated.

37 (2) A statement informing the reader of where he or she may
38 obtain from the institution a list of the employment positions
39 determined to be within the field for which a student received

1 education and training for the calculation of job placement rates
2 as required by subdivision (b).

3 (3) A statement informing the reader of where he or she may
4 obtain from the institution a list of the objective sources of
5 information used to substantiate the salary disclosure as required
6 by subdivision (d).

7 (g) The following statements:

8 (1) "This fact sheet is filed with the Bureau for Private
9 Postsecondary Education. Regardless of any information you may
10 have relating to completion rates, placement rates, starting salaries,
11 or license exam passage rates, this fact sheet contains the
12 information as calculated pursuant to state law."

13 (2) "Any questions a student may have regarding this fact sheet
14 that have not been satisfactorily answered by the institution may
15 be directed to the Bureau for Private Postsecondary Education at
16 (address), Sacramento, CA (ZIP Code), (Internet Web site address),
17 (telephone and fax numbers)."

18 (h) If the institution participates in federal financial aid
19 programs, the most recent three-year cohort default rate reported
20 by the United States Department of Education for the institution
21 and the percentage of enrolled students receiving federal student
22 loans.

23 SEC. 4. Section 94911 of the Education Code is amended to
24 read:

25 94911. An enrollment agreement shall include, at a minimum,
26 all of the following:

27 (a) The name of the institution and the name of the educational
28 program, including the total number of credit hours, clock hours,
29 or other increment required to complete the educational program.

30 (b) A schedule of total charges, including a list of any charges
31 that are nonrefundable and the student's obligations to the Student
32 Tuition Recovery Fund, clearly identified as nonrefundable
33 charges.

34 (c) In underlined capital letters on the same page of the
35 enrollment agreement in which the student's signature is required,
36 the total charges for the current period of attendance, the estimated
37 total charges for the entire educational program, and the total
38 charges the student is obligated to pay upon enrollment.

1 (d) A clear and conspicuous statement that the enrollment
2 agreement is legally binding when signed by the student and
3 accepted by the institution.

4 (e) (1) A disclosure with a clear and conspicuous caption,
5 “STUDENT’S RIGHT TO CANCEL,” under which it is explained
6 that the student has the right to cancel the enrollment agreement
7 and obtain a refund of charges paid through attendance at the first
8 class session, or the seventh day after enrollment, whichever is
9 later.

10 (2) The disclosure shall contain the institution’s refund policy
11 and a statement that, if the student has received federal student
12 financial aid funds, the student is entitled to a refund of moneys
13 not paid from federal student financial aid program funds.

14 (3) The text shall also include a description of the procedures
15 that a student is required to follow to cancel the enrollment
16 agreement or withdraw from the institution and obtain a refund.

17 (f) A statement specifying that, if the student obtains a loan to
18 pay for an educational program, the student will have the
19 responsibility to repay the full amount of the loan plus interest,
20 less the amount of any refund.

21 (g) A statement specifying that, if the student is eligible for a
22 loan guaranteed by the federal or state government and the student
23 defaults on the loan, both of the following may occur:

24 (1) The federal or state government or a loan guarantee agency
25 may take action against the student, including applying any income
26 tax refund to which the person is entitled to reduce the balance
27 owed on the loan.

28 (2) The student may not be eligible for any other federal student
29 financial aid at another institution or other government assistance
30 until the loan is repaid.

31 (h) The transferability disclosure that is required to be included
32 in the school catalog, as specified in paragraph (15) of subdivision
33 (a) of Section 94909.

34 (i) (1) The following statement: “Prior to signing this enrollment
35 agreement, you must be given a catalog or brochure and a School
36 Performance Fact Sheet, which you are encouraged to review prior
37 to signing this agreement. These documents contain important
38 policies and performance data for this institution. This institution
39 is required to have you sign and date the information included in
40 the School Performance Fact Sheet relating to completion rates,

1 placement rates, license examination passage rates, salaries or
2 wages, and the most recent three-year cohort default rate, if
3 applicable, prior to signing this agreement.”

4 (2) Immediately following the statement required by paragraph
5 (1), a line for the student to initial, including the following
6 statement: “I certify that I have received the catalog, School
7 Performance Fact Sheet, and information regarding completion
8 rates, placement rates, license examination passage rates, salary
9 or wage information, and the most recent three-year cohort default
10 rate, if applicable, included in the School Performance Fact sheet,
11 and have signed, initialed, and dated the information provided in
12 the School Performance Fact Sheet.”

13 (j) The following statements:

14
15 (1) “Any questions a student may have regarding this
16 enrollment agreement that have not been satisfactorily
17 answered by the institution may be directed to the Bureau for
18 Private Postsecondary Education at (address), Sacramento,
19 CA (ZIP Code), (Internet Web site address), (telephone and
20 fax numbers).”
21
22

23 (2) “A student or any member of the public may file a complaint
24 about this institution with the Bureau for Private Postsecondary
25 Education by calling (toll-free telephone number) or by completing
26 a complaint form, which can be obtained on the bureau’s Internet
27 Web site (Internet Web site address).”
28

29 (k) The following statement above the space for the student’s
30 signature:

31
32 “I understand that this is a legally binding contract. My
33 signature below certifies that I have read, understood, and
34 agreed to my rights and responsibilities, and that the
35 institution’s cancellation and refund policies have been clearly
36 explained to me.”
37

38 SEC. 5. Section 94913 is added to the Education Code, to read:

39 94913. (a) An institution that maintains an Internet Web site
40 shall provide on that Internet Web site all of the following:

1 (1) The school catalog.

2 (2) A School Performance Fact Sheet for each educational
3 program offered by the institution.

4 (3) Student brochures offered by the institution.

5 (4) A link to the bureau's Internet Web site.

6 (5) The institution's most recent annual report submitted to the
7 bureau.

8 (b) An institution shall include information concerning where
9 students may access the bureau's Internet Web site anywhere the
10 institution identifies itself as being approved by the bureau.

11 SEC. 6. Section 94928 of the Education Code is amended to
12 read:

13 94928. As used in this article, the following terms have the
14 following meanings:

15 (a) "Cohort population" means the number of students that
16 began a program on a cohort start date.

17 (b) "Cohort start date" means the first class day after the
18 cancellation period during which a cohort of students attends class
19 for a specific program.

20 (c) "Graduates" means the number of students who complete a
21 program within 100 percent of the published program length. An
22 institution may separately state completion information for students
23 completing the program within 150 percent of the original
24 contracted time, but that information may not replace completion
25 information for students completing within the original scheduled
26 time. Completion information shall be separately stated for each
27 campus or branch of the institution.

28 (d) "Graduates available for employment" means the number
29 of graduates minus the number of graduates unavailable for
30 employment.

31 (e) (1) "Graduates employed in the field" means graduates who
32 are gainfully employed in a single position ~~for at least 13 weeks,~~
33 ~~working at least 17.5 hours per week in one of the occupations~~
34 ~~included in the list provided by the institution pursuant to~~
35 ~~subdivision (e) of Section 94929.5. For occupations for which the~~
36 ~~state does not require passing an examination, the period of~~
37 ~~employment shall begin~~ within six months after a student completes
38 the applicable educational program. For occupations for which the
39 state requires passing an examination, the period of employment
40 shall begin within six months of the announcement of the

1 examination results for the first examination available after a
2 student completes an applicable educational program. ~~Those~~
3 ~~graduates working in a single qualifying position between 17.5~~
4 ~~and 32 hours per week, and those graduates working in a single~~
5 ~~qualifying position for at least 32 hours per week, shall be reported~~
6 ~~separately as graduates employed in the field.~~

7 (2) (A) ~~If the bureau determines, based on evidence it verifies,~~
8 ~~that the 13 weeks or 17.5 hours per week requirement described~~
9 ~~in paragraph (1) is an invalid or erroneous basis upon which to~~
10 ~~measure graduates' meaningful and substantial employment in the~~
11 ~~field, the bureau may adjust one or both of those numbers by~~
12 ~~regulation.~~

13 (B) ~~At least 30 days before the bureau issues regulations~~
14 ~~described in subparagraph (A) for public comment, the bureau~~
15 ~~shall appoint, and consult with, a stakeholder group consisting of~~
16 ~~an equal number of student or consumer representatives and school~~
17 ~~representatives, and shall provide the stakeholder group with the~~
18 ~~evidence the bureau is relying upon to support the new regulations.~~

19 (2) *The bureau shall define specific measures and standards*
20 *for determining whether a student is gainfully employed in a single*
21 *position pursuant to paragraph (1), and may set hourly and weekly*
22 *employment standards and utilize any job classification*
23 *methodology the bureau determines appropriate for this purpose,*
24 *including, but not limited to, the United States Department of*
25 *Labor's Standard Occupational Classification codes.*

26 (f) "Graduates unavailable for employment" means graduates
27 who, after graduation, die, become incarcerated, are called to active
28 military duty, are international students that leave the United States
29 or do not have a visa allowing employment in the United States,
30 or are continuing their education at an accredited or
31 bureau-approved postsecondary institution.

32 (g) "Students available for graduation" means the cohort
33 population minus the number of students unavailable for
34 graduation.

35 (h) "Students unavailable for graduation" means students who
36 have died, been incarcerated, or called to active military duty.

37 SEC. 7. Section 94929.5 of the Education Code is amended to
38 read:

1 94929.5. (a) An institution shall annually report to the bureau,
2 as part of the annual report, and shall publish in its School
3 Performance Fact Sheet, all of the following:

4 (1) The job placement rate, calculated by dividing the number
5 of graduates employed in the field by the number of graduates
6 available for employment for each program that is either (1)
7 designed, or advertised, to lead to a particular career, or (2)
8 advertised or promoted with any claim regarding job placement.

9 (2) The license examination passage rates for the immediately
10 preceding two years for programs leading to employment for which
11 passage of a state licensing examination is required, calculated by
12 dividing the number of graduates who pass the examination by the
13 number of graduates who take the licensing examination the first
14 time that the examination is available after completion of the
15 educational program. The institution shall use state agency
16 licensing data to calculate license examination passage rates. If
17 those data are unavailable, the institution shall calculate the license
18 examination passage rate in a manner consistent with regulations
19 adopted by the bureau.

20 (3) Salary and wage information, consisting of the total number
21 of graduates employed in the field and the annual wages or salaries
22 of those graduates stated in increments of five thousand dollars
23 (\$5,000).

24 (4) If applicable, the most recent three-year cohort default rate
25 reported by the United States Department of Education for the
26 institution and the percentage of enrolled students receiving federal
27 student loans.

28 ~~(5) A list of the occupations for which each of the institution's~~
29 ~~educational programs is intended to train students using the United~~
30 ~~States Department of Labor's Standard Occupational Classification~~
31 ~~codes.~~

32 (b) Nothing in this section shall limit the bureau's authority to
33 collect information from an institution to comply with this section
34 and ensure, by regulation and other lawful means, that the
35 information required by this section, and the manner in which it
36 is collected and reported, is all of the following:

37 (1) Useful to students.

38 (2) *Useful to policymakers.*

39 ~~(2)~~

40 (3) Based upon the most credible and verifiable data available.

1 ~~(3)~~

2 (4) Does not impose undue compliance burdens on an institution.

3 SEC. 8. Section 94929.7 of the Education Code is amended to
4 read:

5 94929.7. (a) The information used to substantiate the rates
6 and information calculated pursuant to Sections 94929 and 94929.5
7 shall do ~~all~~ *both* of the following:

8 (1) Be documented and maintained by the institution for five
9 years from the date of the publication of the rates and information.

10 ~~(2) Include records of employment for all students counted as~~
11 ~~graduates employed in the field, including the names, addresses,~~
12 ~~and telephone numbers of all students reported as employed in the~~
13 ~~field and all hiring employers; the names, titles, or descriptions of~~
14 ~~the jobs; the starting and ending dates of employment; and~~
15 ~~information concerning whether students are employed in a~~
16 ~~full-time or part-time position, including the number of hours~~
17 ~~worked per week.~~

18 ~~(3) Include the names, addresses, and telephone numbers of~~
19 ~~graduating students who choose not to seek employment and~~
20 ~~instead enroll in another educational program to earn another~~
21 ~~degree or credential; the names and addresses of the institutions~~
22 ~~in which those students enroll; and the type of degree or credential~~
23 ~~those students intend to earn at those institutions.~~

24 ~~(4)~~

25 (2) Be retained in an electronic format and made available to
26 the bureau upon request.

27 (b) An institution shall provide a list of employment positions
28 used to determine the number of graduates employed in the field
29 for purposes of calculating job placement rates pursuant to this
30 article.

31 (c) *The bureau shall identify the specific information that an*
32 *institution is required to document and maintain to substantiate*
33 *rates and information pursuant to this section.*